June 2019 Market Update

Key Takeaways

All investment assets experienced strong performance in the first half of 2019. Equity markets exhibited double-digit returns with U.S. equities up 18.4%. In retrospect, much of the first half performance can be attributed to a recovery from the retraction in year-end 2018 when the market was reeling from unfounded concerns about a slowdown in economic growth.

Equity markets had a strong June, recouping losses suffered in May. U.S. equity markets set new all-time highs. Trade concerns moderated as Trump and Chinese President Xi made small concessions at the G-20 summit in Sochi. The FOMC left rates unchanged in their June meeting but implied they would cut rates in July if economic expectations remain weak. Events in Iran and Hong Kong contributed to heightened geopolitical concerns, leading gold prices to end the month over $1400 for the first time in 6 years.

Bonds continued their rally. The 10-year Treasury finished at 2.00% and 2-years finished at 1.75%, reflecting expectations of rate cuts by the FOMC. Real estate slightly underperformed bonds.

Table 1: Benchmark Index Performance as of June 30, 2019

Benchmark Index	*1 Mo*	*2019Q2*	*2019H1*	*5 Yr Ann*
Domestic Equities (S&P 1500 Composite)	7.10%	4.16%	18.37%	10.5%
International Developed Equities (MSCI EAFE)	5.93%	3.68%	14.03%	2.2%
Emerging Market Equities (MSCI EM)	6.24%	0.61%	10.58%	2.5%
Fixed Income (Bloomberg Barclays US Aggregate)	1.26%	3.08%	6.11%	2.9%
US Real Estate (S&P US REIT Index)	1.14%	0.84%	16.74%	7.6%
Global Equities (MSCI ACWI)	6.55%	3.61%	16.23%	6.2%

Chart 1: 2019 Market Index Performance